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have this reciprocal agreement in place. Is that correct?

SENATOR JANSSEN: That's correct.

SENATOR RAIKES: So the net result then would be that Nebraska companies, if they were able to sell in Iowa to local subdivisions, would not collect the sale tax if this bill were adopted.

SENATOR JANSSEN: That's correct.

SENATOR RAIKES: But the point is they're probably not going to be able to make the sales anyway because they are at a seven percent, potentially, disadvantage.

SENATOR JANSSEN: That's correct.

SENATOR RAIKES: And in addition, this would give the opportunity for local subdivisions in Nebraska to shop either in Nebraska or Iowa to get the best deal on equipment. Is that a fair statement?

SENATOR JANSSEN: That's correct, Senator, but in most cases, when they have...a political subdivision has a problem, they are going to go...they have to do it in a hurry to get that particular part. So it would be inconvenient for them to go over into Iowa. In the other case, most...when you have river towns like that, you could jump back and forth across the border for the best deal.

SENATOR RAIKES: Okay. One other point I will just ask you about, would there be an incentive, say, for an equipment dealer in Nebraska now that has a potential customer base in Iowa, for example, to, in fact, create a lot out of the state of Nebraska in Iowa, ex...or do their sales from that lot so that they could avoid charging this sales tax which they are now required to charge, if they sell from Nebraska. So you would have an incentive there for a Nebraska dealer to move out of state.

SENATOR JANSSEN: That would be...I think if we had the reciprocal agreement they would be more apt to stay where